

1           **TITLE I—AGRICULTURAL**  
2                           **PROGRAMS**

3   **SEC. 1001. SHORT TITLE; TABLE OF CONTENTS.**

4       (a) **SHORT TITLE.**—This title may be cited as the  
5   “Agricultural Reconciliation Act of 2005”.

6       (b) **TABLE OF CONTENTS.**—The table of contents of  
7   this title is as follows:

Sec. 1001. Short title; table of contents.

**Subtitle A—Commodity Programs**

Sec. 1101. Reduction of commodity program payments.  
Sec. 1102. Forfeiture penalty for nonrecourse sugar loans.  
Sec. 1103. Cotton competitiveness provisions.  
Sec. 1104. National dairy market loss payments.  
Sec. 1105. Advance direct payments.

**Subtitle B—Conservation**

Sec. 1201. Conservation reserve program.  
Sec. 1202. Conservation security program.  
Sec. 1203. Environmental quality incentives program.

**Subtitle C—Miscellaneous**

Sec. 1301. Initiative for Future Agriculture and Food Systems.

8           **Subtitle A—Commodity Programs**

9   **SEC. 1101. REDUCTION OF COMMODITY PROGRAM PAY-**  
10                           **MENTS.**

11       (a) **IN GENERAL.**—Subtitle F of title I of the Farm  
12   Security and Rural Investment Act of 2002 (7 U.S.C.  
13   7991 et seq.) is amended by adding at the end the fol-  
14   lowing:

1 **"SEC. 1619. REDUCTION OF COMMODITY PROGRAM PAY-**  
2 **MENTS.**

3 **"(a) DEFINITION OF COMMODITY PROGRAM PAY-**  
4 **MENTS.—**In this section, the term 'commodity program  
5 payments' means—

6 **"(1) direct payments;**

7 **"(2) counter-cyclical payments; and**

8 **"(3) payments and benefits associated with the**  
9 **loan program, including gains from the forfeiture of**  
10 **any commodity pledged as collateral for loans and**  
11 **gains from in-kind payments described in section**  
12 **166 of the Federal Agriculture Improvement and**  
13 **Reform Act of 1996 (7 U.S.C. 7286), as determined**  
14 **by the Secretary.**

15 **"(b) REDUCTION.—**

16 **"(1) IN GENERAL.—**Notwithstanding any other  
17 **provision of this title, for each of the 2006 through**  
18 **2010 crop years for wheat, corn, grain sorghum,**  
19 **barley, oats, upland cotton, extra long staple cotton,**  
20 **rice, soybeans, other oilseeds, wool, mohair, honey,**  
21 **dry peas, lentils, small chickpeas, unshorn pelts, si-**  
22 **lage, hay, and peanuts, the Secretary shall reduce**  
23 **the total amount of commodity program payments**  
24 **received by the producers on a farm for those com-**  
25 **modities for that crop year by an amount equal to**  
26 **2.5 percent of that amount.**

1           “(2) MILK.—During the period beginning on  
2           October 1, 2005, and ending on September 30,  
3           2007, the Secretary shall reduce the total amount of  
4           payments received by producers pursuant to section  
5           1502 by an amount equal to 2.5 percent of that  
6           amount.”.

7           (b) COMMODITIES.—

8           (1) IN GENERAL.—Title I of the Farm Security  
9           and Rural Investment Act of 2002 (7 U.S.C. 7901  
10          et seq.), including each amendment made by that  
11          title, is amended by striking “2007” each place it  
12          appears (other than in sections 1104(f), 1304(g),  
13          and 1307(a)(6) and amendments made by this title)  
14          and inserting “2011”.

15          (2) COTTON.—Sections 1204(e)(1) and 1208(a)  
16          of the Farm Security and Rural Investment Act of  
17          2002 (7 U.S.C. 7934(e)(1), 7938(a)) are amended  
18          by striking “2008” each place it appears and insert-  
19          ing “2012”.

20       **SEC. 1102. FORFEITURE PENALTY FOR NONRECOURSE**

21               **SUGAR LOANS.**

22          Section 156 of the Federal Agriculture Improvement  
23          and Reform Act of 1996 (7 U.S.C. 7272) is amended—

24               (1) by redesignating subsections (h), (i), and (j)  
25          as subsections (i), (j), and (k), respectively; and

1           (2) by inserting after subsection (g) the fol-  
2       lowing:

3       “(h) FORFEITURE PENALTY.—

4           “(1) IN GENERAL.—In the case of each of the  
5       2006 through 2010 crops of sugar beets and sugar-  
6       cane, a penalty shall be assessed on the forfeiture of  
7       any sugar pledged as collateral for a nonrecourse  
8       loan under this section.

9           “(2) AMOUNT.—The penalty for sugarcane and  
10      sugar beets under this subsection shall be 1.2 per-  
11      cent of the loan rate established for sugarcane and  
12      sugar beets under subsections (a) and (b), respec-  
13      tively.

14          “(3) EFFECT OF FORFEITURE.—Any payments  
15      owed producers by a processor that forfeits any  
16      sugar pledged as collateral for a nonrecourse loan  
17      shall be reduced in proportion to the loan forfeiture  
18      penalty incurred by the processor.

19          “(4) CROPS.—This subsection shall apply only  
20      to the 2006 through 2010 crops of sugar beets and  
21      sugarcane.”.

22   **SEC. 1103. COTTON COMPETITIVENESS PROVISIONS.**

23      (a) IN GENERAL.—Section 1207 of the Farm Secu-  
24      rity and Rural Investment Act of 2002 (7 U.S.C. 7937)  
25      is amended—

1 (1) by striking the section heading and insert-  
2 ing the following: “**UPLAND COTTON IMPORT**  
3 **QUOTAS.**”;

4 (2) by striking subsection (a);

5 (3) by redesignating subsections (b) and (c) as  
6 subsections (a) and (b), respectively;

7 (4) in subsection (a) (as so redesignated)—

8 (A) in paragraph (1)—

9 (i) in subparagraph (B), by striking “,  
10 adjusted for the value of any certificate  
11 issued under subsection (a),”; and

12 (ii) in subparagraph (C), by striking  
13 “, for the value of any certificates issued  
14 under subsection (a)”; and

15 (B) in paragraph (4), by striking “sub-  
16 section (c)” and inserting “subsection (b)”; and

17 (5) in subsection (b)(2) (as so redesignated), by  
18 striking “subsection (b)” and inserting “subsection  
19 (a)”.

20 (b) FAIR.—Section 136 of the Federal Agriculture  
21 Improvement and Reform Act of 1996 (7 U.S.C. 7236)  
22 is repealed.

23 (c) EFFECTIVE DATE.—The amendments made by  
24 this section take effect on August 1, 2006.

1 **SEC. 1104. NATIONAL DAIRY MARKET LOSS PAYMENTS.**

2 (a) AMOUNT.—Section 1502(c) of the Farm Security  
3 and Rural Investment Act of 2002 (7 U.S.C. 7982(c)) is  
4 amended by striking paragraph (3) and inserting the fol-  
5 lowing:

6 “(3)(A) during the period beginning on the first  
7 day of the month the producers on a dairy farm  
8 enter into a contract under this section and ending  
9 on September 30, 2005, 45 percent; and

10 “(B) during the period beginning on October 1,  
11 2005, and ending on September 30, 2007, 34 per-  
12 cent.”.

13 (b) DURATION.—Section 1502 of the Farm Security  
14 and Rural Investment Act of 2002 (7 U.S.C. 7982) is  
15 amended by striking “2005” each place it appears in sub-  
16 sections (f) and (g)(1) and inserting “2007”.

17 (c) CONFORMING AMENDMENTS.—Section 1502 of  
18 the Farm Security and Rural Investment Act of 2002 (7  
19 U.S.C. 7982) is amended—

20 (1) in subsection (g)(1), by striking “and sub-  
21 section (h)”;

22 (2) by striking subsection (h).

23 **SEC. 1105. ADVANCE DIRECT PAYMENTS.**

24 (a) IN GENERAL.—Section 1103(d)(2) of the Farm  
25 Security and Rural Investment Act of 2002 (7 U.S.C.  
26 7913(d)(2)) is amended in the first sentence by striking

1 “2007 crops years” and inserting “2005 crop years, up  
2 to 40 percent of the direct payment for a covered com-  
3 modity for the 2006 crop year, and up to 29 percent of  
4 the direct payment for a covered commodity for any of  
5 the 2007 through 2011 crop years,”.

6 (b) PEANUTS.—Section 1303(e)(2) of the Farm Se-  
7 curity and Rural Investment Act of 2002 (7 U.S.C.  
8 7953(e)(2)) is amended in the first sentence by striking  
9 “2007 crops years” and inserting “2005 crop years, up  
10 to 40 percent of the direct payment for the 2006 crop  
11 year, and up to 29 percent of the direct payment for any  
12 of the 2007 through 2011 crop years,”.

## 13 **Subtitle B—Conservation**

### 14 **SEC. 1201. CONSERVATION RESERVE PROGRAM.**

15 (a) IN GENERAL.—Section 1231 of the Food Security  
16 Act of 1985 (16 U.S.C. 3831) is amended—

17 (1) in subsection (a), by striking “2007” and  
18 inserting “2011”;

19 (2) in subsection (d), by striking “up” and all  
20 that follows through “years” and inserting “in the  
21 conservation reserve at any 1 time 36,400,000 acres  
22 during the 2002 through 2010 calendar years and  
23 38,300,000 acres in the 2011 calendar year”; and

24 (3) in subsection (h)(1)(A), by striking “2007”  
25 and inserting “2011”.

1       (b) FUNDING.—Section 1241(a) of the Food Security  
2 Act of 1985 (16 U.S.C. 3841(a)) is amended—

3           (1) in the matter before paragraph (1), by  
4 striking “For” and inserting “Except as otherwise  
5 provided in this subsection, for”; and

6           (2) in paragraph (1), by striking “The con-  
7 servation” and inserting “For fiscal years 2002  
8 through 2011, the conservation”.

9       (c) IMPLEMENTATION.—In implementing the amend-  
10 ments made by this section, the Secretary of Agriculture  
11 shall achieve the new maximum acreage enrollment limit  
12 not later than 2 years after the date of enactment of this  
13 Act without affecting conservation reserve existing con-  
14 tracts.

15 **SEC. 1202. CONSERVATION SECURITY PROGRAM.**

16       (a) IN GENERAL.—Section 1238A(a) of the Food Se-  
17 curity Act of 1985 (16 U.S.C. 3838a(a)) is amended by  
18 striking “2007” and inserting “2011”.

19       (b) FUNDING.—Section 1241(a)(3) of the Food Secu-  
20 rity Act of 1985 (16 U.S.C. 3841(a)(3)) is amended by  
21 striking “not more than \$6,037,000,000” and all that fol-  
22 lows through “2014.” and inserting the following: “not  
23 more than—

24           “(A) \$1,954,000,000 for the period of fis-  
25 cal years 2006 through 2010; and



1                   “(B) \$5,200,000,000 for the period of fis-  
2                   cal years 2006 through 2015.”.

3   **SEC. 1203. ENVIRONMENTAL QUALITY INCENTIVES PRO-**  
4                   **GRAM.**

5           (a) IN GENERAL.—Section 1240B(a)(1) of the Food  
6   Security Act of 1985 (16 U.S.C. 3839aa-2(a)(1)) is  
7   amended by striking “2007” and inserting “2011”.

8           (b) LIMITATION ON PAYMENTS.—Section 1240G of  
9   the Food Security Act of 1985 (16 U.S.C. 3839aa-7) is  
10   amended by striking “2007” and inserting “2011”.

11          (c) FUNDING.—Section 1241(a)(6) of the Food Secu-  
12   rity Act of 1985 (16 U.S.C. 3841(a)(6)) is amended by  
13   striking subparagraphs (D) and (E) and inserting the fol-  
14   lowing:

15                   “(D) \$1,017,000,000 in fiscal year 2005;

16                   “(E) \$1,185,000,000 in fiscal year 2006;

17                   “(F) \$1,270,000,000 in each of fiscal  
18                   years 2007 through 2010; and

19                   “(G) \$1,300,000,000 in fiscal year 2011.”.

20                   **Subtitle C—Miscellaneous**

21   **SEC. 1301. INITIATIVE FOR FUTURE AGRICULTURE AND**  
22                   **FOOD SYSTEMS.**

23          (a) IN GENERAL.—Section 401(b)(3) of the Agricul-  
24   tural Research, Extension, and Education Reform Act of  
25   1998 (7 U.S.C. 7621(b)(3)) is amended—

1           (1) in subparagraph (C), by striking  
2       “\$160,000,000; and” and inserting  
3       “\$104,000,000;”;

4           (2) by redesignating subparagraph (D) as sub-  
5       paragraph (E);

6           (3) by inserting after subparagraph (C) the fol-  
7       lowing:

8                 “(D) on October 1, 2006, and each Octo-  
9       ber 1 thereafter through October 1, 2009,  
10       \$130,000,000; and”; and

11          (4) in subparagraph (E) (as so redesignated),  
12       by striking “2006” and inserting “2010”.

13       (b) **EFFECTIVE DATE.**—The amendments made by  
14       subsection (a) take effect on October 1, 2005.